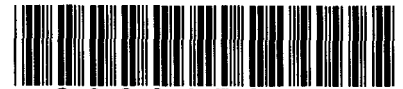


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BEFORE THE ARIZONA CORPORATION

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COMMISSIONERS

BOB STUMP - Chairman

GARY PIERCE

BRENDA BURNS

BOB BURNS

SUSAN BITTER SMITH

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
PRESIDIO TRAILS DEVELOPMENT, LLC
FOR DELETION OF ITS PROJECT FROM
THE CERTIFICATE OF CONVENIENCE AND
NECESSITY HELD BY HALCYON ACRES
ANNEX NO. 2 WATER COMPANY, INC.

DOCKET NO. W-02312A-13-0326

**STAFF'S RESPONSE TO STATUS
UPDATE AND MOTION FOR JOINDER
OF HALCYON AS CO-APPLICANT**

The Utilities Division Staff ("Staff") of the Arizona Corporation Commission ("Commission") hereby submits its Response to the Status Update and Motion for Joinder of Halcyon as Co-Applicant ("Status Update") jointly filed by Presidio Trails Development, LLC ("Presidio") and Halcyon Acres Annex No. 2 Water Company ("Halcyon") on January 27, 2014.

On September 20, 2013, Presidio filed a document which it characterized as an "application" with the Commission. Therein, Presidio sought to have its proposed apartment complex deleted from Halcyon's Certificate of Convenience and Necessity ("CC&N") due to Halcyon's alleged inability to provide water service to the referenced project.

On October 10, 2013, Staff filed a Notice of Case Status ("Notice") wherein it asserted, *inter alia*, that Presidio's "application" was, in effect, a complaint against Halcyon and Presidio might first avail itself of the Commission's informal complaint process before taking any formal action before the Commission.¹

On October 15, 2013, Presidio filed Applicant's Response to Staff's Notice of Case Status ("Response") wherein it disputed Staff's positions regarding an entity's ability to qualify as an "applicant." Notwithstanding the disparate positions of Staff and Presidio on these issues, Presidio conditionally agreed to "have its Application treated as a complaint" and participate in an informal mediation with Halcyon and Staff provided the Commission acknowledge Presidio's requested relief

¹ It must be noted that, for purposes of this pleading and docket, Staff does not waive these previously asserted positions.

1 of deletion from the subject CC&N. Moreover, Presidio also suggested its "application" be stayed
2 pending completion of the informal mediation process and, if such process proves unsuccessful, "that
3 its Application be deemed a complaint and the formal complaint process initiated at that time."

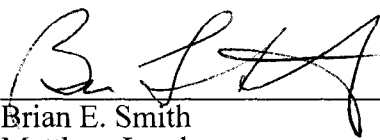
4 In its October 21, 2013, Response to Presidio Trails Development, LLC's October 15, 2013
5 Filing ("Halcyon Response"), Halcyon advised that it did not object to Presidio's stay request and
6 acknowledged the parties had already scheduled a first meeting in the informal mediation process.

7 On October 29, 2013, the Commission's Hearing Division issued a Procedural Order (Stay of
8 Proceedings) wherein it stayed the proceedings in this docket pending the outcome of the informal
9 complaint process and ordered Presidio to file a Status Update upon completion of such process.

10 In the above-referenced Status Update, Presidio and Halcyon advised they had reached an
11 agreement to resolve the instant matter. As part of that resolution, Presidio and Halcyon moved to
12 have Halcyon joined as a co-applicant; have the October 29, 2013 stay lifted; and have the
13 "application" processed by the Commission.

14 Staff has no objection to having Halcyon designated as the applicant or to lifting the stay. In
15 the event the Commission lifts the stay and designates Halcyon as an applicant, Staff will consider
16 the date of such order as the date of the application in this matter for purposes of the thirty (30) day
17 time period for sufficiency as set forth in A.A.C. §14-2-411C.2.

18 RESPECTFULLY SUBMITTED this 14th day of February 2014.
19

20
21 
22 Brian E. Smith
23 Matthew Laudone
24 Attorneys, Legal Division
25 Arizona Corporation Commission
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27 Phoenix, Arizona 85007
28 (602) 542-3402

1 Original and thirteen (13) copies
2 of the foregoing filed this
3 14th day of February 2014 with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007

8 Copy of the foregoing mailed this
9 14th day of February 2014 to:

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11 Kayla Christine